

Lottery Cash Flow and Bond Projects in the 2013-15 Governor's Budget



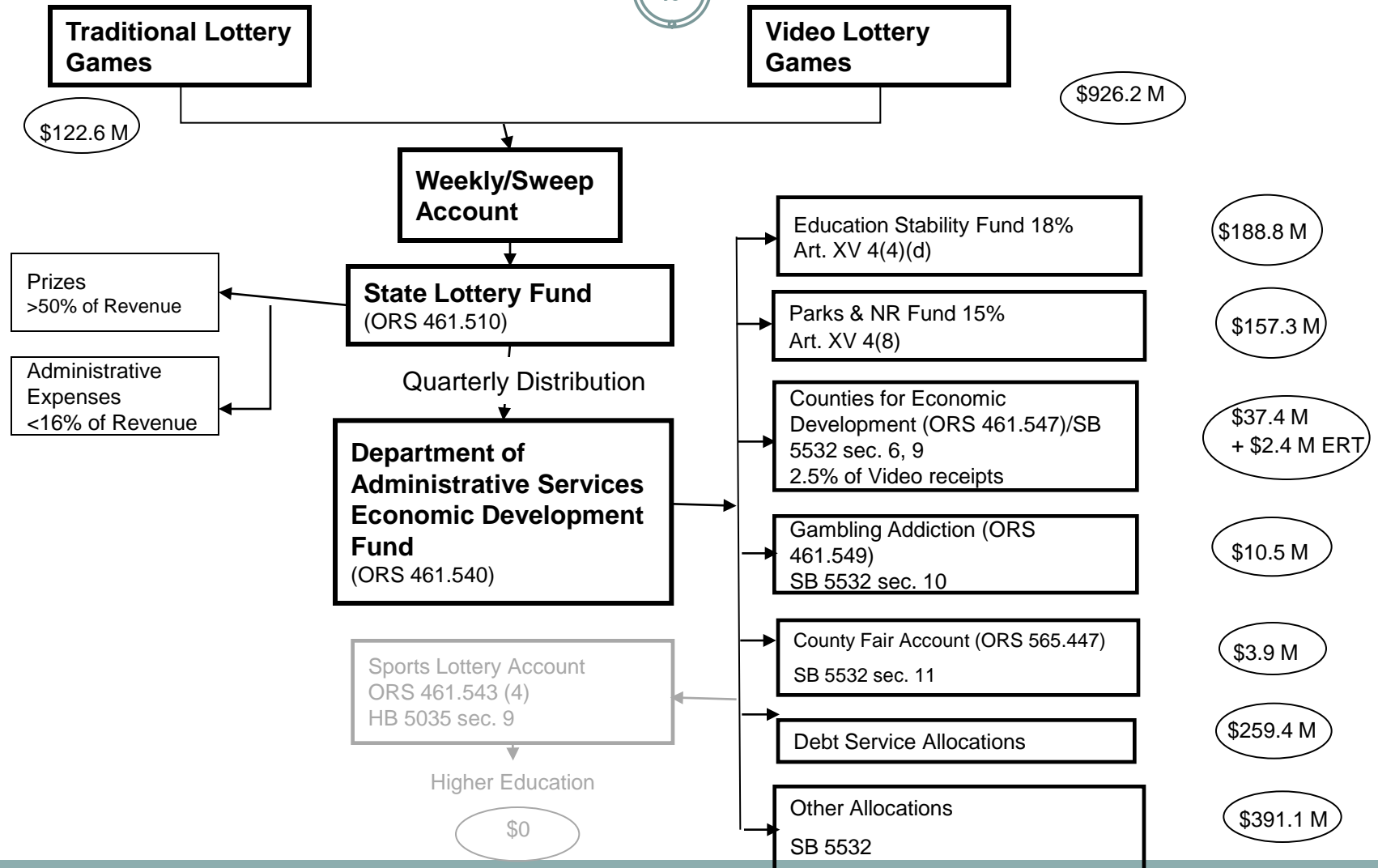
BLAKE JOHNSON/JACK KENNY
OFFICE OF THE CHIEF FINANCIAL OFFICER
FEBRUARY 13, 2013

DAS
DEPARTMENT OF
ADMINISTRATIVE
SERVICES

Flow of Funds - Oregon State Lottery

2013-15 Governor's Budget

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Flow of Funds - Oregon State Lottery

2009-11 through 2013-15

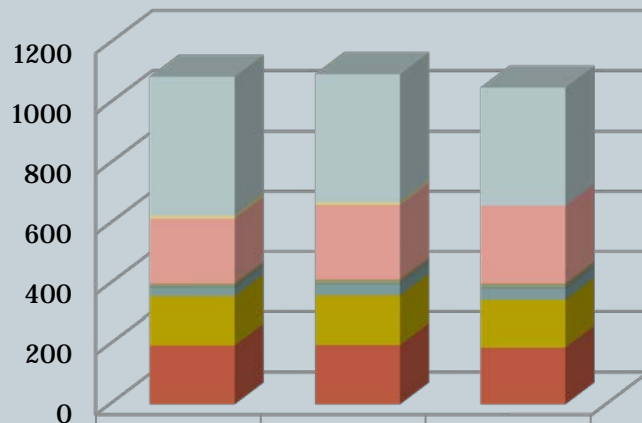
	<u>2009-11</u>	<u>2011-13</u>	<u>2013-15</u>
Education Stability Fund	195.3	196.7	188.8
Parks & Natural Resources Fund	162.7	163.9	157.3
Counties for Economic Development	28.8	37.1	37.4
Economic Revitalization Team	2.0	1.9	2.4
Gambling Addiction	8.7	10.6	10.5
County Fair Account	2.8	3.6	3.9
Debt Service Allocations	216.4	248.2	259.4
Sport Lottery Account	9.7	8.6	-
Other ~ School Facilities Task Force	1.4	-	-
~ State School Fund	428.4	371.8	314.5
~ Oregon Business Dev. Dept.	31.0	53.1	72.7
~ Oregon Exposition Center	-	-	3.8
	1,087.2	1,095.4	1,050.7

Flow of Funds - Oregon State Lottery

2009-11 through 2013-15

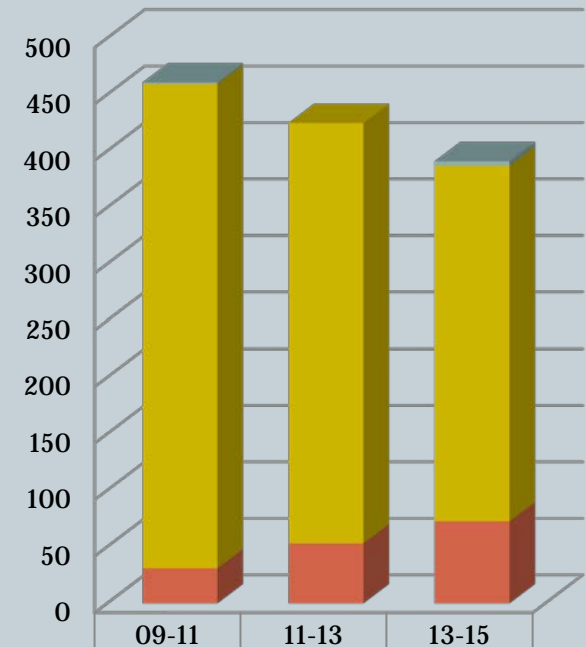
Economic Development Fund Distribution

DAS Administered Lottery Funds (millions)



Economic Development Fund- Other Allocations

DAS Administered Lottery Funds (millions)



Expo Center/School Fac Task Force	1.4		3.8
State School Fund	428.4	371.8	314.5
OBDD	31.0	53.1	72.7

Lottery Bond Overview

- Lottery Bonds may be used to fund projects where the Legislative Assembly finds that the use of Lottery Bonds will create jobs, further economic development, finance public education, or restore and protect parks, beaches, watersheds and native fish and wildlife.
- Lottery bonds are limited by the “4x Coverage” Test. New bonds can only be issued to the point where the resulting new debt service plus existing debt service is less than or equal to 25 percent of projected revenue (i.e. revenue is four times greater than debt service)
- Due to a decrease in the growth rate of lottery revenues and the need for significant capital expenditures for Lottery program operations, issuance capacity is less than in recent biennia.

For more info . . .

Contact Jack Kenny, Capital Finance Manager 503-378-3107

Initiatives in Governor's Budget

- **The Governor's Budget includes Lottery Bond funded initiatives in the following areas:**
 - Regional Infrastructure
 - Increasing Timber Supply/Restoring Forest Health
 - Water Storage Infrastructure and Systems/Fisheries Enhancements
 - Energy Efficiency
 - Transportation/Arts/Community Priorities

Regional Infrastructure Projects Statewide

- Business Oregon's Infrastructure Finance Authority (IFA) helps Oregon communities through grants, loans and technical assistance to develop and maintain infrastructure to provide clean and safer drinking water; compliant wastewater systems; and other improvements authorized in statute. *Lottery Bond Project Amount \$24,452,044. Projected Debt Service: 2013-15: \$2,948,785; 2015-17 \$5,328,503*
- Through Oregon Business Development Department (OBDD), local governments will be provided grants and loans for infrastructure projects, including long range planning, research, and design. *Lottery Bond Project Amount \$20,000,000. Projected Debt Service: 2013-15 \$2,131,662; 2015-17 \$4,261,105*
- OBDD to provide grants and loans to local governments for **priority regional development initiatives**, including but not limited to infrastructure related to industrial development sites, local government facilities improvements, water storage/delivery systems, and planning and design activities. *Lottery Bond Project Amount: \$30,000,000. Projected Debt Service: 2013-15 \$0; 2015-17 \$6,238,895*

Increase Timber Supply/Restore Forest Health

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- Invest in forest collaboratives linked to arrangements with the US Forest Service that provide for sustained timber supply, reduced costs, and diversified infrastructure. Growth in the effectiveness of collaborative efforts, along with reducing planning and sale preparation costs, is essential to increasing the pace and scale of work on federal lands.. *Lottery Bond Project Amount: \$4,000,000. Projected Debt Service: 2013-15 \$521,716; 2015-17 \$874,166.*
- Seed a program to advance voluntary efforts around conservation, timber and wildfire management efficiencies and other pilot efforts that increase timber supply and public values associated with Oregon & California forest lands in western Oregon. *Lottery Bond Project Amount: \$1,400,000. Projected Debt Service: 2013-15 \$215,170; 2015-17 \$309,600.*
- Final installment on purchase of Gilchrist State Forest in northern Klamath County. *Lottery Bond Project Cost: \$7,600,000. Projected Debt Service: 2013-15 \$796,864; 2015-17 \$1,587,711.*

Water Storage and Fisheries Enhancement

- Develop and implement water storage systems and delivery infrastructure, implement conservation and reuse projects and provide access to new water supplies. Initiatives may include acquiring water in addition to development of storage and distribution systems. *Lottery Bond Project Amount: \$10,000,000. Projected Debt Service: 2013-15 \$947,488; 2015-17 \$1,880,985.*
- Feasibility studies for water conservation, reuse and storage projects. This continues a grant program initiated in SB 1069 (2008). *Lottery Bond Project Amount: \$850,000. Projected Debt Service: \$101,513; 2015-17 \$206,178.*
- Provide assistance for enhancement and development of Oregon fisheries, including collaborative efforts to create systems or incentives to improve fish populations. Evaluate potential for expanding current off-channel commercial fisheries, and complete feasibility studies necessary to establish new off-channel areas. *Lottery Bond Project Amount: \$1,600,000. Projected Debt Service: 2013-15 \$242,676; 2015-17 \$158,458.*

Energy Efficiency

- Promote energy efficiency, renewable energy and energy conservation projects, including the clean energy deployment program through a deposit to the Jobs, Energy and Schools Fund. It is anticipated that these funds will be leveraged and used where most effective to create jobs and save energy. *Lottery Bond Project Amount: \$5,000,000. Projected Debt Service: 2013-15 \$736,561; 2015-17 \$1,098,646.*
- Provide an installment to begin recapitalization of the Small Scale Energy Project Administration and Bond Sinking Fund. *Lottery Bond Project Amount: \$5,000,000. Projected Debt Service: 2013-15 \$535,113; 2015-17 \$1,065,686.*

Transportation, Arts and Community Priorities

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- Provide grants and loans for multi-modal transportation statewide including air, rail, public transit, highway and marine transportation. This program, administered through the Department of Transportation, is referred to as *Connect Oregon*. *Lottery Bond Project Amount: \$22,000,000. Projected Debt Service: 2013-15 \$0; 2015-17 \$3,995,726.*
- Provide assistance for land acquisition, improvements, rehabilitation and enhancement of the areas in or around Willamette Falls. Assist Oregon City, Clackamas County and Metro in a project to transform a 23-acre industrial site and provide public access to scenic and cultural areas, provide economic redevelopment and habitat restoration. *Lottery Bond Project Amount: \$5,000,000. Projected Debt Service: 2013-15 \$536,452; 2015-17 \$1,068,367.*
- Provide grants to support arts or cultural projects that contribute to the economic development of a community or region. Such grants to be approved by the Trust for Cultural Development Board. *Lottery Bond Project Amount: \$1,750,000. Projected Debt Service: 2013-15 \$164,657; 2015-17 \$332,485.*